ALTICE INTERNATIONAL
S.à r.l.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTHS ENDED MARCH 31, 2017

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Consolidated Statement of Income (€m)	**Notes**	**Three months ended March 31, 2017**	**Three months ended March 31, 2016 (revised*)**
Revenues	4	1,292.9	1,138.1
Purchasing and subcontracting costs	4	(321.9)	(240.5)
Other operating expenses	4	(232.2)	(233.8)
Staff costs and employee benefits	4	(169.8)	(132.9)
Depreciation, amortization and impairment	4	(348.8)	(386.6)
Other expenses and income	4	(11.7)	(15.1)
Operating profit	4	**208.5**	**129.2**
Interest relative to gross financial debt		(219.5)	(206.0)
Other financial expenses		(10.9)	(9.6)
Finance income		53.2	61.5
Finance costs, net		**(177.2)**	**(154.1)**
Net result on disposal of businesses	3	-	107.5
Share of profit/(loss) of associates		0.7	(0.7)
Profit before income tax		**32.0**	**81.9**
Income tax credit	10	1.3	15.6
Profit for the period		**33.3**	**97.5**
Attributable to equity holders of the parent		26.9	105.6
Attributable to non-controlling interests		6.4	(8.1)

Consolidated Statement of Other Comprehensive Income (€m)	**Notes**	**Three months ended March 31, 2017**	**Three months ended March 31, 2016 (revised*)**
Profit for the period		**33.3**	**97.5**
Other comprehensive income/(loss)			
Exchange differences on translating foreign operations		7.3	5.6
Revaluation of available for sale financial assets, net of taxes		0.3	0.5
Gain on cash flow hedge, net of taxes	8.3	32.7	13.4
Actuarial gain/(loss), net of taxes		12.7	(11.2)
Total other comprehensive income		**53.0**	**8.3**
Total comprehensive income for the period		**86.3**	**105.8**
Attributable to equity holders of the parent		79.2	113.9
Attributable to non-controlling interests		7.1	(8.1)

(*) Previously published information has been revised for the impact of the purchase price allocations of NextRadioTV, which was acquired during the 2016 financial year. For the details of the revision see note 16.

The accompanying notes on pages 6 to 21 form an integral part of these condensed interim consolidated financial statements.

Consolidated Statement of Financial Position (€m)	**Notes**	**March 31, 2017**	**December 31, 2016**
Non-current assets			
Goodwill	5	3,660.7	3,642.3
Intangible assets		2,844.5	2,927.6
Property, plant & equipment		4,143.7	4,164.5
Investment in associates	3	27.0	14.1
Financial assets	9	249.9	170.8
Deferred tax assets		91.0	91.8
Other non-current assets		113.0	135.4
Total non-current assets		**11,129.8**	**11,146.5**
Current assets			
Inventories		175.0	158.1
Trade and other receivables		1,242.8	1,291.5
Current tax assets		15.7	16.9
Financial assets	9	683.0	571.5
Cash and cash equivalents	6	267.5	266.0
Restricted cash	6	0.4	19.4
Total current assets		**2,384.4**	**2,323.4**
Assets classified as held for sale	*3*	416.7	416.7
Total assets		**13,930.9**	**13,886.6**
Issued capital	7.1	309.3	309.3
Additional paid in capital	7.2	317.6	311.6
Other reserves	7.3	505.4	453.2
Accumulated losses		(1,042.2)	(1,072.6)
Equity attributable to owners of the Company		**90.1**	**1.5**
Non-controlling interests	3.4	24.9	26.9
Total equity		**115.0**	**28.4**
Non-current liabilities			
Long term borrowings, financial liabilities and related hedging instruments	8	8,343.0	8,295.1
Other financial liabilities	8	981.4	964.5
Provisions		896.8	945.4
Deferred tax liabilities		94.4	103.4
Other non-current liabilities		177.2	165.4
Total non-current liabilities		**10,492.8**	**10,473.8**
Current liabilities			
Short-term borrowings, financial liabilities and related hedging instruments	8	398.2	351.7
Other financial liabilities	8	595.1	643.9
Trade and other payables		1,665.3	1,831.8
Current tax liabilities		73.3	87.2
Provisions		74.5	82.3
Other current liabilities		473.8	344.6
Total current liabilities		**3,280.2**	**3,341.5**
Liabilities directly associated with assets classified as held for sale	*3*	42.9	42.9
Total liabilities		**13,815.9**	**13,858.2**
Total equity and liabilities		**13,930.9**	**13,886.6**

The accompanying notes on pages 6 to 21 form an integral part of these condensed interim consolidated financial statements.

Consolidated Statement of Changes in Equity For the three months ended March 31, 2017	**Number of issued shares (thousands)**	**Share capital**	**Additional paid in capital**	**Accumulated losses**	**Other reserves**	**Currency translation reserve**	**Cash Flow hedge reserve**	**Available for sale**	**Employee Benefits**	**Total equity attributable to equity holders of the parent**	**Non-controlling interests**	**Total equity**
Equity at January 1, 2017	**30,925,700**	**309.3**	**311.6**	**(1,072.6)**	**646.3**	**68.4**	**(221.5)**	**2.8**	**(42.8)**	**1.4**	**26.9**	**28.3**
Profit for the period		-	-	26.9	-	-	-	-	-	**26.9**	6.4	**33.3**
Other comprehensive profit/(loss)		-	-	-	-	6.6	32.7	0.3	12.7	**52.3**	0.7	**53.0**
Comprehensive profit/(loss)		**-**	**-**	**26.9**	**-**	**6.6**	**32.7**	**0.3**	**12.7**	**79.2**	**7.1**	**86.3**
Share based payments		-	-	3.4	-	-	-	-	-	**3.4**	-	**3.4**
Transaction with non-controlling interests		-	2.2	-	-	-	-	-	-	**2.2**	-	**2.2**
Other		-	3.8	-	-	-	-	-	-	**3.8**	(9.0)	**(5.2)**
Equity at March 31, 2017	**30,925,700**	**309.3**	**317.6**	**(1,042.2)**	**646.3**	**75.0**	**(188.9)**	**3.1**	**(30.2)**	**90.1**	**24.9**	**115.0**

Consolidated Statement of Changes in Equity For the three months ended March 31, 2016 (revised *)	**Number of issued shares (thousands)**	**Share capital**	**Additional paid in capital**	**Accumulated losses**	**Other reserves**	**Currency translation reserve**	**Cash Flow hedge reserve**	**Available for sale**	**Employee Benefits**	**Total equity attributable to equity holders of the parent**	**Non-controlling interests**	**Total equity**
Equity at January 1, 2016	**30,925,700**	**309.3**	**311.6**	**(777.8)**	**646.3**	**47.5**	**(80.7)**	**2.4**	**(6.6)**	**451.9**	**(5.8)**	**446.3**
Profit for the period		-	-	105.6	-	-	-	-	-	**105.6**	(8.1)	**97.5**
Other comprehensive profit/(loss)		-	-	-	-	5.4	13.4	0.5	(11.2)	**8.3**	-	**8.3**
Comprehensive profit/(loss)		**-**	**-**	**105.6**	**-**	**5.4**	**13.4**	**0.5**	**(11.2)**	**113.9**	**(8.1)**	**105.8**
Transaction with non-controlling interests		-	(11.7)	-	-	-	-	-	-	**(11.7)**	(60.4)	**(72.1)**
Other		-	1.1	-	-	-	-	-	-	**1.1**	(0.3)	**0.8**
Equity at March 31, 2016	**30,925,700**	**309.3**	**301.0**	**(672.2)**	**646.3**	**52.9**	**(67.3)**	**2.8**	**(17.8)**	**555.0**	**(74.6)**	**480.4**

(*) Previously published information has been revised for the impact of the purchase price allocations of NextRadioTV, which was acquired during the 2016 financial year. For the details of the revision see note 16.

The accompanying notes on pages 6 to 21 form an integral part of these condensed interim consolidated financial statements.

Consolidated Cash Flow Statement (€m)	**Notes**	**Three months ended March 31, 2017**	**Three months ended March 31, 2016 (revised*)**
Net (loss)/profit, including non-controlling interests		**33.3**	**97.5**
Adjustments for:			
Depreciation, amortization and impairment		348.8	386.6
Share in income of associates		(0.7)	0.7
Net result on disposal of businesses		-	(107.5)
Expenses related to share based payment		3.4	-
Other non-cash operating gains, net[1]		(84.8)	(51.6)
Pension liability payments		(32.5)	(25.6)
Finance costs recognized in the statement of income		177.2	154.1
Income tax expense recognized in the statement of income		(1.3)	(15.6)
Income tax payments		(13.3)	(3.4)
Changes in working capital		69.7	(86.8)
Net cash provided by operating activities		**499.9**	**348.4**
Payments to acquire tangible and intangible assets		(246.2)	(178.2)
Payments to acquire financial assets		-	(11.6)
Proceeds from disposal of businesses	3	-	140.6
Payments to acquires interests in associates		(12.3)	(313.9)
Payment to acquire subsidiaries, net		-	18.6
Net cash used in investing activities		**(258.5)**	**(344.5)**
Proceeds from issuance of debts	8	285.0	545.0
Transaction with non-controlling interests		-	-
Payments to redeem debt instruments	8	(256.0)	(161.4)
Advances to shareholders		(145.0)	(209.0)
Interest paid	8	(167.6)	(86.6)
Other cash provided by financing activities[2]		44.6	-
Net cash used in financing activities		**(239.0)**	**88.1**
Effects of exchange rate changes on the balance of cash held in foreign currencies		(1.0)	(1.4)
Net decrease in cash and cash equivalents		**1.5**	**90.6**
Cash and cash equivalents at beginning of period	6	266.0	266.0
Cash and cash equivalents at end of the period	6	**267.5**	**356.6**

1 Other non-cash operating gains and losses mainly include allowances and writebacks for provisions (including those for restructuring).
2 Cash provided by other financing activities includes cash received on vendor financing and securitisation.

(*) Previously published information has been revised for the impact of the purchase price allocations of NextRadioTV, which was acquired during the 2016 financial year. For the details of the revision see note 16.

The accompanying notes on pages 6 to 21 form an integral part of these condensed interim consolidated financial statements.

1. About Altice International and the Altice Group

Altice International S.à r.l. (the "Company", the "Group", or "Altice") is a private limited liability company ("*société à responsabilitė limitėe*") incorporated in Luxembourg, headquartered at 5, rue Eugène Ruppert, L-2453, Luxembourg, in the Grand Duchy of Luxembourg.

The controlling shareholder of the Company is Altice Luxembourg S.A, which holds 100% of the share capital, and is itself controlled by Altice N.V (headquartered at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands). The financial statements of the Company are consolidated into the financial statements of Altice N.V. The controlling shareholder of Altice N.V. is Next Alt S.à r.l., which holds 59.37% of the share capital, and is controlled by Mr. Patrick Drahi.

Altice N.V. is a multinational cable, fiber, telecommunications, content and media group with presence in several regions – Western Europe (comprising France, Belgium, Luxembourg, Portugal and Switzerland), the United States, Israel, the French Overseas Territories and the Dominican Republic. Altice N.V. operates high speed fixed based services (high quality pay television, fast broadband Internet and fixed line telephony) and in certain countries, mobile telephony services to residential and corporate customers. Altice N.V. is also active in the media industry with a portfolio of channels as well as acting as a provider of premium contents on nonlinear platforms. It also produces its own original contents (Series, Movies etc.).

2. Accounting policies

2.1. Basis of preparation

These condensed interim consolidated financial statements of Group as of March 31, 2017 and for the three months then ended were approved by the Board of Managers and authorized for issue on May 19, 2017.

These interim consolidated financial statements of the Group as of March 31, 2017 and for the three month period then ended, are presented in millions of Euros, except as otherwise stated, and have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. They should be read in conjunction with the annual consolidated financial statements of the Group and the notes thereto as of and for the year ended December 31, 2016 which were prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("IFRS") (the "annual consolidated financial statements").

The accounting policies applied for the interim consolidated financial statements as of March 31, 2017 do not differ from those applied in the annual consolidated financial statements.

2.1.1. Standards applicable for the reporting period

The following standards have mandatory application for periods beginning on or after January 1, 2017 as described in note 1.3 to the annual consolidated financial statements.

- Amendments to IAS 7 Disclosure Initiative. The amendments will require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including non-cash changes and changes arising from cash flows;
- Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12). The amendments clarifies the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value; and
- Annual improvements cycle 2014-2016.

These standards and interpretations are under the process of endorsement of the European Union. These amendments had no impact on the amounts recognised in the annual consolidated financial statements and also had no impact on the disclosures in these condensed interim consolidated financial statements.

2.1.2. Standards not applicable as of reporting date

The Group has not anticipated the following standards and interpretations, for which application is not mandatory for period started from January 1, 2017 and that may impact the amounts reported.

- IFRS 15 Revenue from Contracts with Customers, effective on or after January 1, 2018;
- IFRS 9 Financial instruments, effective on or after January 1, 2018;
- IFRS 16 Lease, effective on or after January 1, 2019;

- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions;
- Interpretation 22—Foreign Currency Transactions and Advance Consideration. The interpretation is applicable for annual periods beginning on or after January 1, 2018. Earlier application is permitted;
- Annual improvements cycle 2014-2016, effective on or after January 1, 2018;

The effects of implementing the new standards, and amendments to standards, are currently being analysed as part of Group-wide projects. It is not practicable to provide a reasonable estimate of the quantitative effects until the projects have been completed

2.1.3. Significant accounting judgments and estimates

In the application of the Group's accounting policies, the Board of Managers of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

These key areas of judgments and estimates, as disclosed in the annual consolidated financial statements are:

- Estimations of provisions for claims
- Measurement of post-employments benefits
- Revenue recognition
- Fair value measurement of financial instruments
- Measurement of deferred taxes
- Impairment of goodwill
- Estimation of useful lives of intangible assets and property, plant and equipment, and
- Estimation of impairment losses for trade and other receivables.

As of March 31, 2017, there were no changes in the key areas of judgements and estimates.

2.1.4. Revised information

The comparative information as of March 31, 2016 has been revised to reflect the impact of the finalization of the purchase price allocation of NextRadioTV, acquired during the course of the year ended December 31, 2016. Please refer to note 16 for reconciliations to previously published results.

3. Scope of consolidation

The following changes occurred during the three months ended March 31, 2017, which impacted the scope of consolidation compared to that presented in the annual consolidated financial statements.

3.1. Acquisitions during the period

3.1.1. Acquisition of a stake in Sport TV

On February 24, 2017, PT Portugal acquired a 25% stake in the capital of SPORT TV for €12.3 million. SPORT TV is a sports broadcaster based in Portugal. Following this investment, SPORT TV shareholders are PT, NOS, Olivedesportos and Vodafone, each of which with a 25% stake. This new structure benefits, above all, PT Portugal’s customers and the Portuguese market, guaranteeing all of the operators access to the sports content considered essential in fair and non-discriminatory market conditions. The investment is recognized as an investment in an associate company.

3.2. Transactions in progress as of March 31, 2017

3.2.1. Acquisition of Teads

On March 21, 2017, Altice announced it had entered into an agreement to acquire Teads, the No. 1 online video advertising marketplace in the world with an audience of more than 1.2 billion unique visitors including 720 million via mobile. The acquisition values Teads at an enterprise value of up to €285 million on a cash and debt free basis. The acquisition purchase price is subject to Teads achieving certain revenue targets in 2017. 75% of the acquisition purchase price will be due at closing, which is expected to close in mid-2017. The remaining 25% earn-out is subject to Teads' 2017 revenue performance and will become payable in early 2018.

3.2.2. Disposal of Coditel

On December 22, 2016, the Company and its indirect subsidiary Coditel Holding S.A. entered into an agreement to sell the Group's Belgian and Luxembourg (Belux) telecommunication businesses, which are operated by Coditel Brabant SPRL and Coditel S.à r.l, to Telenet Group BVBA, a direct subsidiary of Telenet Group Holding N.V. The transaction, which is subject to the clearance of the Belgian competition authorities, valued the Group's Belgian and Luxembourg telecommunication businesses at an enterprise value of €400 million.

As a result, Coditel is classified as a disposal group held for sale, in accordance with IFRS 5 – *Non-current assets held for sale.* The Belux business, part of the "Others" segment, was classified under two separate lines in the statement of financial position which are "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale". The Board of Managers has not identified any material indicator of impairment as of March 31, 2017.

3.3. Transactions that occurred in the previous period

3.3.1. Disposal of Cabovisao and ONI

The net result on disposal of businesses recognised in the statement of income for the three months ended March 31, 2016 of €107.5 million related to the sale of Cabovisão and its subsidiaries to Apax France, which was completed in January 2016. Total consideration received for the disposal amounted to €137.7 million (including purchase price adjustments), of which €63.9 million was for the shares of Cabovisao and its subsidiaries.

3.4. Controlled subsidiaries with material non-controlling interests

Non-controlling interests		**Financial interests held by non-controlling interests**		**Result allocated to non-controlling interests**		**Accumulated non-controlling interests**	
Name of subsidiary	**Place of incorporation**	**March 31, 2017**	**December 31, 2016**	**March 31, 2017**	**December 31, 2016**	**March 31, 2017**	**December 31, 2016**
Deficom Telecom S.àr.l [1]	Luxembourg	26.02%	26.02%	(1.5)	(8.1)	(27.9)	(26.3)
Altice Technical Services S.A.	Luxembourg	49.00%	49.00%	7.6	5.7	49.9	51.0
Others	Various			0.4	(9.3)	2.9	2.2
Total				**6.4**	**(11.7)**	**24.9**	**26.9**

1 Deficom Telecom is the holding company through which the Group invests in Belgium and Luxembourg.

3.5. Variations in non-controlling interests

There were no significant changes in non-controlling interests during the period, a summary of the movements is provided in the table below:

Variations in non-controlling interests (€m)	**March 31, 2017**	**December 31, 2016**
Balance at beginning of the period/year	**26.9**	**(5.8)**
Share of loss for the period/year	6.4	(11.7)
Other comprehensive income	0.7	1.5
Transactions with non-controlling interests in Altice Technical Services S.A.	(9.0)	45.0
Other variations	-	(2.1)
Balance at end of the period/year	**24.9**	**26.9**

4. Segment reporting

4.1. Definition of segments

Given the geographical spread of the entities within the Group, analysis by geographical area is fundamental in determining the Group's strategy and managing its different businesses. The chief operating decision maker analyses the Group's results across geographies, and certain key areas by activity. The presentation of the segments here is consistent with the reporting used internally by the senior management team to track the Group's operational and financial performance. The reporting segments presented are consistent with the ones presented in the annual consolidated financial statements. The businesses that the Group owns and operates do not show significant seasonality, with the exception of the mobile B2C and B2B segments, which can show significant changes in sales at the year end and at the end of the summer season (the "back to school" period). The B2B business is also impacted by the timing of preparation of the annual budgets of public and private sector companies. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The segments that are presented are detailed below:

- **Portugal:** Altice owns Portugal Telecom ("PT Portugal"), the largest telecom operator in Portugal, PT Portugal caters to fixed and mobile B2C, B2B and wholesale clients using the Meo brand.
- **Israel:** Fixed and mobile services are provided using the HOT and HOT Mobile brands to B2C, B2B clients. HOT also produces award winning exclusive content that it distributes using its fixed network.
- **Dominican Republic**: The Group provides fixed and mobile services to B2C, B2B and wholesale clients using the Tricom (cable network) and Orange (under licence) brands.
- **Others**: This segment includes the operations in the French Overseas Territories, Belgium, Luxembourg and Switzerland, as well as the Content, Technical Service and Customer Service business, and all corporate entities. The Board of Managers believes that these operations are not substantial enough to require a separate reporting segment, and so are reported under "Other".

The Group is evaluating the adoption of a global brand, which, if adopted, could reduce the remaining useful lives of brands (intangible assets) acquired in previous acquisitions, and therefore accelerate the amortization of such brands recognized in the consolidated statement of income.

4.2. Financial Key Performance Indicators ("KPIs")

The Board of Managers has defined certain financial KPIs that are tracked and reported by each operating segment every month to the senior executives of the company. The Board of Managers believes that these indicators offer them the best view of the operational and financial efficiency of each segment and this follows best practices in the rest of the industry, thus providing investors and other analysts a suitable base to perform their analysis of the group's results.

The financial KPIs tracked by the Board of Managers are:

- Adjusted EBITDA: by segment
- Revenues: by segment and in terms of activity
- Capital expenditure (capex): by segment.

4.2.1. Non-GAAP measures

Adjusted EBITDA and capex are non-GAAP measures. These measures are useful to readers of Altice's financial statements as it provides them with a measure of the operating results which excludes certain items that Altice management consider outside of its recurring operating activities or that are non-cash, making trends more easily observable and providing information regarding the Group's operating results and cash flow generation that allows investors to better identify trends in its financial performance. The non-GAAP measures are used by the Group internally to manage and assess the results of its operations, make decisions with respect to investments and allocation of resources, and assess the performance of management personnel. Such performance measures are also the de facto metrics used by investors and other members of the financial community to value other companies operating in the same businesses as the Group and thus compare a basis for comparability between the Group and its peers. Moreover, the debt covenants of the Group are based on the Adjusted EBITDA and other associated metrics.

4.2.1.1. Adjusted EBITDA

Adjusted EBITDA is defined as operating income before depreciation and amortization, non-recurring items (capital gains, deal fees, restructuring costs) and equity based compensation expenses. This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating income as the effects of depreciation, amortization and impairment, excluded from this measure do ultimately affect the operating results, which is also presented within the consolidated financial statements in accordance with IAS 1 - *Presentation of Financial Statements*.

4.2.1.2. Capital expenditure ("Capex")

Capex is an important indicator to follow, as the profile varies greatly between activities:

- The fixed business has fixed capex requirements that are mainly discretionary (network, platforms, general), and variable capex requirements related to the connection of new customers and the purchase of Customer Premise Equipment (TV decoder, modem, etc).
- Mobile capex are mainly driven by investment in new mobile sites, upgrade to new mobile technology and licenses to operate. Once capex are engaged and operational, there are limited capex requirement.
- Other capex: Mainly related to capex incurred to purchase content rights

4.2.2. Revenues

Additional information on the revenue split is presented as follows:

- Fixed in the business to consumer market (B2C),
- Fixed in the business to business market (B2B),
- Wholesale market,
- Mobile in the business to consumer market (B2C),
- Mobile in the business to business market (B2B), and
- Other.

Intersegment revenues represented 6.0% of total revenues for the three months ended March 31, 2017, compared to nil for the three months ended March 31, 2016 (€78.2 million compared to nil). Intersegment revenues mainly relate to services rendered by certain centralised group functions (relating to content production and customer service) to the operational segments of the Group.

4.3. Segment results

4.3.1. Operating profit by segment

For the three months ended March 31, 2017 (€m)	Portugal	Israel	Dominican Republic	Others	Inter-segment elimination	Total
Revenues	**572.7**	**261.9**	**182.6**	**353.8**	(78.2)	**1,292.9**
Purchasing and subcontracting costs	(139.0)	(67.8)	(39.8)	(131.9)	56.6	**(321.9)**
Other operating expenses	(100.8)	(60.3)	(39.3)	(40.6)	8.9	**(232.2)**
Staff costs and employee benefits	(70.2)	(16.9)	(7.5)	(75.2)	-	**(169.8)**
Total	**262.8**	**117.0**	**95.9**	**106.1**	**(12.8)**	**569.0**
Stock option expense	-	-	-	3.4	-	3.4
Adjusted EBITDA	**262.8**	**117.0**	**95.9**	**109.6**	**(12.8)**	**572.4**
Depreciation, amortisation and impairment	(167.0)	(85.9)	(37.6)	(58.2)	-	(348.8)
Stock option expense	-	-	-	(3.4)	-	(3.4)
Other expenses and income	(20.2)	(6.8)	(9.9)	25.3	-	(11.7)
Operating profit	**75.5**	**24.2**	**48.4**	**73.2**	**(12.8)**	**208.5**

For the three months ended March 31, 2016 (€m) (revised*)	**Portugal**	**Israel**	**Dominican Republic**	**Others**	**Inter-segment elimination**	**Total**
Revenues	**571.9**	**231.3**	**177.3**	**157.6**	-	**1,138.1**
Purchasing and subcontracting costs	(116.8)	(57.3)	(31.8)	(33.0)	(1.6)	**(240.5)**
Other operating expenses	(103.3)	(51.4)	(42.7)	(37.9)	1.6	**(233.8)**
Staff costs and employee benefits	(74.8)	(17.7)	(7.4)	(32.9)	-	**(132.9)**
Total	**277.0**	**105.0**	**95.4**	**53.8**	**-**	**531.2**
Stock option expense	-	-	-	-	-	-
Adjusted EBITDA	**277.0**	**105.0**	**95.4**	**53.8**	**-**	**531.2**
Depreciation, amortisation and impairment	(218.9)	(82.3)	(39.2)	(46.2)	-	**(386.6)**
Stock option expense	-	-	-	-	-	-
Other expenses and income	(11.2)	(6.7)	(1.8)	4.5	-	**(15.1)**
Operating profit	**47.0**	**16.0**	**54.5**	**12.0**	**-**	**129.2**

4.3.2. Other expenses and income

Other expenses and income mainly relates to provisions for ongoing and announced restructuring, management fees, transaction costs related to acquisitions, and other non-cash expenses (gains and losses on disposal of assets, provisions for litigation, etc.). Details for costs incurred during the three months ended March 31, 2017 and 2016 are given below:

Other expenses and income (€m)	**Three months ended March 31, 2017**	**Three months ended March 31, 2016**
Stock option expense	3.4	-
Items excluded from adjusted EBITDA	**3.4**	**-**
Management fees	12.2	-
Restructuring costs	3.8	7.4
Deal fees	1.2	3.1
Other (income)/expenses, net	(5.4)	7.5
Gain on disposals of assets	(0.2)	(2.9)
Other expenses and income	**11.7**	**15.1**

Management fees mainly includes the fees incurred by Altice Management International due to Altice N.V., the ultimate shareholder of the Group.

4.3.3. Revenues by activity

For the three months ended March 31, 2017 (€m)	**Portugal**	**Israel**	**Dominican Republic**	**Others**	**Total**
Fixed - B2C	176.2	170.7	28.7	31.7	**407.3**
Fixed - B2B	105.5	21.0	10.6	6.7	**143.8**
Wholesale	71.9	-	22.0	6.5	**100.4**
Mobile - B2C	140.9	55.9	103.8	21.4	**322.1**
Mobile - B2B	49.0	14.3	12.8	1.2	**77.3**
Other	29.2	-	4.7	286.3	**320.2**
Total standalone	**572.7**	**261.9**	**182.6**	**353.8**	**1,371.1**
Intersegment adjustment	(2.4)	(0.1)	(0.4)	(75.3)	**(78.2)**
Total	**570.3**	**261.8**	**182.2**	**278.5**	**1,292.9**

For the three months ended March 31, 2016 (€m)	**Portugal**	**Israel**	**Dominican Republic**	**Others**	**Total**
Fixed - B2C	174.3	157.6	27.5	35.6	**394.9**
Fixed - B2B	108.1	19.5	9.9	6.6	**144.1**
Wholesale	68.6	-	17.9	3.4	**89.9**
Mobile - B2C	142.0	41.5	104.5	22.3	**310.3**
Mobile - B2B	51.8	12.8	12.2	1.1	**77.9**
Other	27.2	-	5.3	88.5	**121.0**
Total standalone	**571.9**	**231.3**	**177.3**	**157.6**	**1,138.1**
Intersegment adjustment	-	-	-	-	-
Total	**571.9**	**231.3**	**177.3**	**157.6**	**1,138.1**

4.3.4. Capital expenditure

The table below details capital expenditure by segment and reconciles to the payments to acquire capital items (tangible and intangible assets) as presented in the consolidated statement of cash flows.

For the three months ended March 31, 2017 (€m)	Portugal	Israel	Dominican Republic	Others	Total
Capital expenditure (accrued)	112.5	62.2	22.1	20.3	**217.1**
Capital expenditure - working capital items	19.1	0.6	(2.9)	12.3	**29.1**
Payments to acquire tangible and intangible assets	131.6	62.9	19.2	32.6	**246.2**

For the three months ended March 31, 2016 (€m)	Portugal[1]	Israel	Dominican Republic	Others	Total
Capital expenditure (accrued)	127.6	62.4	25.3	47.3	**262.6**
Capital expenditure - working capital items	(80.9)	-	6.6	(10.1)	**(84.4)**
Payments to acquire tangible and intangible assets	46.7	62.4	31.9	37.2	**178.2**

1) Included €44.0m of capitalised exclusive content costs in Portugal for multi-year contracts.

4.3.4.1. Content rights

During 2016, the Group secured exclusive content rights to broadcast certain sports (English Premier League Football, French Basketball League and English Rugby Premiership) in France and other territories; the rights are for periods of between three and six years. The content rights were capitalised in accordance IAS 38- *Intangible Assets* and are amortised on a straight line basis over their respective useful lives. Where appropriate, the nominal cash flows were discounted to their present value on initial recognition of the asset. The amortization recorded for the three months ended March 31, 2017 was:

Content rights	Amortisation (€ million)	Useful life on recognition
English Premier League Football	15.8	3 years
French Basketball League	6.5	4 years
English Rugby Premiership	0.2	6 years
Total	**22.5**	

5. Goodwill

Goodwill recorded in the consolidated statement of financial position was allocated to the different groups of cash generating units ("GCGU", or "CGU" for cash generating units) as defined by the Group. The only changes since the annual consolidated financial statements were the revisions of carrying amounts for foreign currency translation.

Goodwill (€m)	December 31, 2016	Recognized on business combination	Changes in foreign currency translation	Held for sale	Reclassified	March 31, 2017
Portugal	1,706.2	-	-	-	-	1,706.2
Israel	732.3	-	30.6	-	-	762.9
Dominican Republic	891.3	-	(10.2)	-	-	881.1
Others	468.5	-	4.2	-	-	472.8
Gross value	**3,798.3**	**-**	**24.6**	**-**	**-**	**3,823.0**
Portugal	-	-	-	-	-	-
Israel	(151.3)	-	(6.3)	-	-	(157.6)
Dominican Republic	-	-	-	-	-	-
Others	(4.6)	-	-	-	-	(4.6)
Cumulative impairment	**(155.9)**	**-**	**(6.3)**	**-**	**-**	**(162.3)**
Portugal	1,706.2	-	-	-	-	1,706.2
Israel	581.0	-	24.3	-	-	605.3
Dominican Republic	891.3	-	(10.2)	-	-	881.1
Others	464.0	-	4.2	-	-	468.2
Net book value	**3,642.3**	**-**	**18.3**	**-**	**-**	**3,660.7**

Goodwill (€m)	**December 31, 2015**	**Recognized on business combination**	**Changes in foreign currency translation**	**Held for sale**	**Disposals**	**December 31, 2016**
Portugal	1,706.2	-	-	-	-	1,706.2
Israel	697.8	-	34.5	-	-	732.3
Dominican Republic	859.1	-	32.2	-	-	891.3
Others	594.9	169.2	-	(295.5)	-	468.5
Gross value	**3,857.9**	**169.2**	**66.8**	**(295.5)**	**-**	**3,798.3**
Portugal	-	-	-	-	-	-
Israel	(144.1)	-	(7.2)	-	-	(151.3)
Dominican Republic	-	-	-	-	-	-
Others	(4.6)	-	-	-	-	(4.6)
Cumulative impairment	**(148.7)**	**-**	**(7.2)**	**-**	**-**	**(155.9)**
Portugal	1,706.2	-	-	-	-	1,706.2
Israel	553.7	-	27.3	-	-	581.0
Dominican Republic	859.1	-	32.2	-	-	891.3
Others	590.3	169.2	-	(295.5)	-	464.0
Net book value	**3,709.3**	**169.2**	**59.5**	**(295.5)**	**-**	**3,642.3**

5.1. Impairment of goodwill

Goodwill is reviewed at the level of each GCGU or CGU annually for impairment and whenever changes in circumstances indicate that its carrying amount may not be recoverable. Goodwill was tested at the CGU/GCGU level for impairment as of December 31, 2016. The CGU/GCGU is at the country level where the subsidiaries operate. The recoverable amounts of the GCGUs are determined based on their value in use. The key assumptions for the value in use calculations are the pre-tax discount rates, the terminal growth rate and the EBIT margin during the period. The senior management team has determined that there have not been any changes in circumstances indicating that the carrying amount of goodwill may not be recoverable. In addition, there were no significant changes in assets or liabilities in any CGU/GCGU, while the recoverable amounts continue to significantly exceed the carrying amounts. Therefore, no updated impairment testing was performed, nor any impairment recorded, for the three months ended March 31, 2017.

5.2. Business combinations

The Group has concluded several acquisitions during the past 12 months. In all acquisitions, the Group records the provisional value of the assets and liabilities as being equivalent to the book values in the accounting records of the entity being acquired. The Group then identifies the assets and liabilities to which the purchase price needs to be allocated. The fair value is determined by an independent external appraiser based on a business plan prepared as of the date of the acquisition.

5.2.1. Acquisitions where the Group is yet to assess fair value

The Group is yet to assess the fair value of the identifiable assets and liabilities of the following recent acquisitions; the exercise will be completed within the measurement period as defined by IFRS 3.

5.2.1.1. Altice Customer Services (ACS)

On December 22, 2016, the Group finalized the 100% acquisition of the share capital of ACS. Certain managers in ACS subsequently reinvested part of their proceeds to acquire a 35% stake. Total consideration transferred to the vendors amounted to €27.7 million (excluding purchase price adjustments) on a cash free debt free basis.

	€m
Total consideration transferred	27.7
Fair value of identifiable assets, liabilities and contingent liabilities	(2.1)
Goodwill	29.8

5.2.1.2. Altice Technical Services (ATS)

On November 22, 2016, the Group finalized the 51% acquisition of Parilis SA. Total consideration transferred to the vendors amounted to €158.1 million (excluding purchase price adjustments) on a cash free debt free basis.

	€m
Total consideration transferred	158.1
Allocation to minority interests	45.0
Fair value of identifiable assets, liabilities and contingent liabilities	59.4
Goodwill	143.7

6. Cash and cash equivalents and restricted cash

Cash balances (€m)	**March 31, 2017**	**December 31, 2016**
Term deposits	103.9	98.6
Bank balances	163.7	167.4
Cash and cash equivalents	**267.5**	**266.0**
Restricted cash	0.4	19.4
Total	**267.9**	**285.4**

7. Sole Partner's Equity

7.1. Issued capital

There were no changes in the issued capital of the Group during the period; total issued capital of the Company as at March 31, 2017 remains €309.3 million, comprising 30,925,700,000 outstanding ordinary shares, with a nominal value of € 0.01 each.

7.2. Additional paid in capital

The changes in additional paid in capital of the Group for the three months ended March 31, 2017 amounted to €6.0 million; bringing total additional paid-in capital of the Group to €317.6 million.

7.3. Other reserves

The tax effect of the Group's currency, available for sale, cash flow hedge and employee benefits reserves is provided below:

Other reserves	**March 31, 2017**			**December 31, 2016**		
(€m)	**Pre-tax amount**	**Tax effect**	**Net amount**	**Pre-tax amount**	**Tax effect**	**Net amount**
Actuarial gains and losses	(39.2)	9.1	(30.2)	(56.7)	13.9	(42.8)
Items not reclassified to profit or loss	**(39.2)**	**9.1**	**(30.2)**	**(56.7)**	**13.9**	**(42.8)**
Available for sale reserve	3.1	-	3.1	2.8	-	2.8
Currency translation reserve	75.0	-	75.0	68.4	-	68.4
Cash flow hedge reserve	(266.8)	77.9	(188.9)	(312.9)	91.4	(221.5)
Items potentially reclassified to profit or loss	**(188.6)**	**77.9**	**(110.7)**	**(241.7)**	**91.4**	**(150.3)**
Total	**(227.9)**	**87.0**	**(140.9)**	**(298.4)**	**105.3**	**(193.1)**

8. Borrowings and other financial liabilities

Borrowings and other financial liabilities (€m)	Note	March 31, 2017	December 31, 2016
Long term borrowings, financial liabilities and related hedging instruments		**8,343.0**	**8,295.1**
- Debentures	8.1	*7,630.4*	*7,696.9*
- Loans from financial institutions	8.1	*471.7*	*491.5*
- Derivative financial instruments	8.3	*240.9*	*106.7*
Other non-current financial liabilities:	8.6	**981.4**	**964.5**
- Finance leases		*78.0*	*78.4*
- Other financial liabilities		*903.4*	*886.1*
Non-current liabilities		**9,324.4**	**9,259.6**
Short term borrowings, financial liabilities and related hedging instruments		**398.2**	**351.7**
- Debentures	8.1	*32.4*	*31.1*
- Loans from financial institutions	8.1	*365.0*	*320.5*
- Derivative financial instruments	8.3	*0.8*	-
Other financial liabilities:	8.6	**595.1**	**643.9**
- Other financial liabilities		*401.0*	*371.5*
- Bank overdraft		*0.8*	*7.5*
- Accrued interests		*174.6*	*243.4*
- Finance leases		*18.7*	*21.5*
Current liabilities		**993.2**	**995.6**
Total		**10,317.6**	**10,255.2**

8.1. Debentures and loans from financial institutions

Debentures and loans from financial institutions (€m)	Note	March 31, 2017	December 31, 2016
Debentures	8.1.1	7,662.8	7,728.0
Loans from financial institutions	8.1.2	836.7	812.0
Total		**8,499.5**	**8,540.1**

There was no change in debentures or loans from financial institutions compared to December 31, 2016, other than amortisation of transactions costs and foreign exchange translation in the quarter. However, during the three months ended March 31, 2017, the Group successfully negotiated refinancing of some of its existing debt. These refinancing activities were executed in April 2017, please refer to note 8.2 for further details.

8.1.1. Debentures

Maturity of debentures (€m)	Less than one year	One year or more	March 31, 2017	December 31, 2016
Altice Financing	-	6,066.3	6,066.3	6,109.2
Altice Finco	-	1,367.2	1,367.2	1,382.9
HOT Telecom	32.4	196.9	229.3	235.9
Total	**32.4**	**7,630.4**	**7,662.8**	**7,728.0**

8.1.2. Loans from financial institutions

Maturity of loans from financial institutions (€m)	Less than one year	One year or more	March 31, 2017	December 31, 2016
Altice Financing (including RCF)	359.5	432.9	792.4	748.7
Altice Customer Services	-	11.2	11.2	28.0
Others	5.5	27.6	33.1	35.4
Total	**365.0**	**471.7**	**836.7**	**812.0**

8.2. Refinancing activities

During March 2017, the Group announced successful refinancing of some of its debt, which subsequently closed during April 2017. Because the refinance was subject to closing conditions as at March 31, 2017, the debt was classified in non-current liabilities in the consolidated statement of financial position.

On March 23, 2017, the Group announced that it successfully priced:

- $910 million of 8.25-year term loan B at Altice Financing with a margin of 275 basis point over Libor.

The refinancing closed on April 20, 2017 and the proceeds of the term loans were used to refinance:

- €446 million term loans at Altice Financing that mature in July 2023, and
- redeem the entire $425 million of the 2012 Senior Notes at Altice Finco.

The refinancing extended the average maturity of Altice International group's debt from 6.7 to 7 years and reduced the weighted average cost of its debt from 6.2% to 5.9%.

8.3. Derivatives and hedge accounting

As part of its financial risk management strategy, the Group enters into certain hedging operations. The main instruments used are fixed to fixed or fixed to floating cross-currency and interest rate swaps (CCIRS) that cover against foreign currency and interest rate risk. The Group applies hedge accounting for the hedging operations that meet the eligibility criteria as defined by IAS 39.

8.3.1. CCIRS

The following table provides a summary of the Group's CCIRS.

Entity Maturity	**Notional amount due from counterparty**	**Notional amount due to counterparty**	**Interest rate due from counterparty**	**Interest rate due to counterparty**	**Accounting treatment**[1]
Altice Financing S.A.					
December 2017 [2]	USD 200	ILS 767	9.88%	3m TELBOR+9.00%	FVPL
December 2017 [2]	USD 225	ILS 863	7.88%	3m TELBOR+6.93%	FVPL
December 2017 [2]	EUR 100	ILS 495	8.00%	3m TELBOR+5.78%	FVPL
July - Nov 2018	USD 293	ILS 1,077	3m LIBOR+4.50%	3m TELBOR+5.33%	FVPL
February 2020	USD 2,060	EUR 1,821	6.63%	5.30%	CFH
July 2025	USD 485 [3]	EUR 449	3m LIBOR+2.75%	3m EURIBOR+2.55%	FVPL
February 2022 - July 2024	USD 1,820	EUR 1,544	7.50%	6.02%	CFH
Altice Finco S.A.					
February 2025	USD 385	EUR 340	7.63%	6.25%	CFH

1 These derivatives are all measured at fair value. For those derivatives classified as cash flow hedges (CFH) in accordance with IAS 39, the change in fair value is recognised in the cash flow hedge reserve. The derivatives not hedge accounted have the change in fair value recognised immediately in profit or loss (FVPL).

2 These cross-currency swaps do not involve the exchange of notional amounts at maturity of the contracts. Accordingly the only cash flows associated with these contracts are interest payments and receipts

2 This is a new swap executed during the quarter to partially hedge the new $910 million term loan that replaced the €446 million term loan maturing in July 2023 (as disclosed in note 8.2).

The change in fair value of all derivative instruments designated as cash flow hedges was recorded in other comprehensive income for the three months ended March 31, 2017. Before the impact of taxes, gains of €46.5 million were recorded in other comprehensive income (€32.7 million net of taxes).

8.3.2. Interest rate swaps

The Group enters into interest rate swaps to cover its interest rate exposure in line with its treasury policy. These swaps cover the Group's debt portfolio and do not necessarily relate to specific debt issued by the Group. The details of the instruments are provided below:

Entity Maturity	**Notional amount due from counterparty**	**Notional amount due to counterparty**	**Interest rate due from counterparty**	**Interest rate due to counterparty**	**Accounting treatment**
Altice Financing S.A.					
May 2026	USD 720	USD 720	1.81%	6m LIBOR	FVPL
January 2023	EUR 750	EUR 750	3m EURIBOR	-0.13%	FVPL

8.3.3. Foreign currency forward contracts

The Group enters into foreign exchange forward contracts to cover its foreign exchange exposure in line with its treasury policy. The details of these instruments are provided below:

Entity Maturity	**Currency purchased forward (millions)**	**Currency sold forward (millions)**	**Accounting treatment**
Altice Financing S.A.			
June 2017	EUR 4	ILS 22	FVPL
December 2017	EUR 4	ILS 22	FVPL
June 2017	USD 19	ILS 80	FVPL
December 2017	USD 19	ILS 81	FVPL

8.4. Reconciliation to swap adjusted debt

The various hedge transactions mitigate interest and foreign exchange risks on the debt instruments issued by the Group. Such instruments cover both the principal and the interest due. A reconciliation from the carrying amount of the debt as per the statement of financial position and the due amount of the debt, taking into account the effect of the hedge operations (i.e. the, "swap adjusted debt"), is provided below:

Reconciliation to swap adjusted debt (€m)	**March 31, 2017**	**December 31, 2016**
Debentures and loans from financial institutions	**8,499.5**	**8,540.1**
Transaction costs	190.7	100.5
Total (excluding transaction costs and fair value adjustments)	**8,690.2**	**8,640.6**
Conversion of debentures and loans in foreign currency (at closing spot rate)	(10,975.5)	(5,072.6)
Conversion of debentures and loans in foreign currency (at hedged rates)	10,098.8	4,775.5
Total swap adjusted value	**7,813.4**	**8,343.5**

8.5. Available credit facilities

Available credit facilities (€m)	**Total facility**	**Drawn**
Altice Financing S.A.	986.9	355.0
Revolving credit facilities	**986.9**	**355.0**
Altice Financing S.A.	15.0	-
Guarantees	**15.0**	**-**
Total	**1,001.9**	**355.0**

8.6. Other financial liabilities

The current portion of €595.1 million decreased by €48.8 million compared to December 31, 2016. This decrease was mainly related to a decrease in accrued interest, following interest payments during the quarter (€68.7 million). The non-current portion of €981.4 million increased by €17.3 million compared to 31 December, 2016.

9. Fair value of financial assets and liabilities

9.1.1. Fair value of assets and liabilities

The table below shows the carrying value compared to fair value of financial assets and liabilities.

Fair values of assets and liabilities	Note	March 31, 2017		December 31, 2016	
(€m)		Carrying value	Fair value	Carrying value	Fair value
Financial assets		639.9	639.9	537.9	537.9
Derivatives		43.1	43.1	33.6	33.6
Cash and cash equivalents	6	267.5	267.5	266.0	266.0
Restricted cash	6	0.4	0.4	19.4	19.4
Current assets		**951.0**	**951.0**	**856.9**	**856.9**
Available for sale financial assets		7.7	7.7	7.2	7.2
Derivatives		137.8	137.8	86.7	86.7
Other financial assets		104.3	104.3	76.9	76.9
Non-current assets		**249.9**	**249.9**	**170.8**	**170.8**
Short term borrowings and financial liabilities	8.1	397.4	397.4	351.7	351.7
Derivatives	8.3	0.8	0.8	-	-
Other financial liabilities	8.6	595.1	595.1	643.9	643.9
Current liabilities		**993.2**	**993.2**	**995.6**	**995.6**
Long term borrowings and financial liabilities	8.1	8,102.1	8,343.2	8,188.4	8,740.9
Derivatives	8.3	240.9	240.9	106.7	106.7
Other financial liabilities	8.6	981.4	981.4	964.1	964.1
Non-current liabilities		**9,324.4**	**9,565.5**	**9,259.2**	**9,811.7**

During the three months ended March 31, 2017, there were no transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements. The Group's trade and other receivables and trade and other payables are not shown in the table above as their carrying amounts approximate their fair values.

9.1.2. Fair value hierarchy

The following table provides information about the fair values of the Group's financial assets and liabilities and which level in the fair value hierarchy they are classified.

Fair value measurement (€m)	Fair value hierarchy	Valuation technique	March 31, 2017	December 31, 2016
Financial Liabilities				
Derivative financial instruments	Level 2	Discounted cash flows	241.6	106.7
Minority Put Option - Intelcia	Level 3	Discounted cash flows	36.8	39.0
Financial Assets				
Derivative financial instruments	Level 2	Discounted cash flows	180.9	120.3
Minority Call option - Parilis	Level 3	Black and Scholes model	13.1	20.2
Minority Call option - Intelcia	Level 3	Black and Scholes model	12.0	6.5
Available for sale assets - Wananchi	Level 3	Discounted cash flows	1.3	1.2
Available for sale assets - Partner Co. Ltd.	Level 1	Quoted share price	6.4	5.9

10. Taxation

Tax expense (€m)	Three months ended March 31, 2017	Three months ended March 31, 2016 (revised*)
Current tax	(31.7)	(25.0)
Deferred tax	33.1	40.7
Total	**1.3**	**15.6**

The variation in the income tax recorded resulted mainly from a deferred tax income of €33.1 million for the three months ended March 31, 2017 (compared to an income of €40.7 million in 2016). The Group also recorded a current tax expense of €31.7 million for the three months ended March 31, 2017 (compared to an expense of €25.0 million in 2016). The variation is mainly due Altice Technical Services being included in the consolidation scope starting from December 2016.

10.1. Income tax litigation

There is no significant development in existing tax litigations that have occurred since the publication of the annual consolidated financial statements and that have had or that may have a significant effect on the financial position of the Group.

11. Contractual obligations and commercial commitments

During the three months ended March 31, 2017, there were no significant contractual obligations and commercial commitments signed as compared to the year ended December 31, 2016.

12. Litigation

In the normal course of its activities, the Group is accused in a certain number of governmental, arbitration and administrative law suits. Provisions are recognised by the Group when management believe that it is more likely than not that such lawsuits shall incur expenses, and the magnitude of these expenses can be reliably estimated. The magnitude of the provisions recognised is based on the best estimate of the level of risk on a case-by-case basis, taking into account that the occurrence of events in the course of the legal action involves constant re-estimation of this risk.

The Group is not aware of other dispute, arbitration, governmental or legal action or exceptional fact (including any legal action of which the issuer is aware, which is outstanding or by which it is threatened) that may have been, or is in, progress during the last months and that has a significant effect on the financial position, the earnings, the activity and the assets of the company and the Group, other than those described below.

This note describes the new proceedings and developments in existing litigations that have occurred since the publication of the annual consolidated financial statements and that have had or that may have a significant effect on the financial position of the Group.

12.1. Optimus - Abuse of dominant position in the wholesale market

In March 2011, Optimus filed a claim against MEO in the Judicial Court of Lisbon for the payment of approximately €11 million, as a result of an alleged abuse of dominant position by MEO in the wholesale offer. Optimus sustained its position by arguing that they suffered losses and damages as a result of MEO's conduct. In 2016, the court decided entirely in favour of MEO and during the first quarter of 2017 MEO was informed that NOS/Optimus would not file an appeal regarding the matter that was under discussion.

13. Related party transactions and balances

There were no changes in related party relationships that occurred compared to those disclosed in the annual consolidated financial statements.

14. Going concern

As of March 31, 2017, the Group had net current liability position of €895.9 million (mainly due to trade payables amounting to €1,665.3 million) and a negative working capital of €247.6 million. During the three months ended March 31, 2017, the Group registered net income of €33.3 million (2016: €97.5 million) and generated cash flows from operations of €499.9 million. As of March 31, 2017, the Group had an equity position of €115.0 million.

The negative working capital position is structural and follows industry norms. Customers generally pay subscription revenues early or mid-month, with short days of sales outstanding and suppliers are paid under standard commercial terms, thus generating a negative working capital, as evidenced by the difference in the level of receivables and payables (€1,242.8 million compared to €1,665.3 million for the three months ended March 31, 2017). Payables due the following month are covered by revenues and cash flows from operations (if needed).

As of March 31, 2017, the Group's short term borrowings mainly comprised of accrued interests of €174.6 million on the debenture and loans from financial institutions which are repaid on a semi-annual basis, and the amortization of some bonds and term loans. Those short-term obligations are expected to be covered by the cash flows from operations of the operating subsidiaries. As of March 31, 2017, the revolving credit facilities at Altice Financing S.A. were drawn in an aggregate of €355.0 million. A listing of available credit facilities by silo is provided in note 8 and the amounts available are sufficient to cover the short-term debt and interest expense needs if needed.

Given the above, the Board of Managers has considered the following elements in determining that the use of the going concern assumption is appropriate:

- The Group has a strong track record of generating positive adjusted EBITDA and operating cash flows:
  - Adjusted EBITDA amounted to €572.4 million, an increase of 7.7% compared to the same period last year.
  - Operating cash flows for the three months ended March 31, 2017 were €499.9 million, which represents an increase of 28.7% compared to three months ended March 31, 2016 (€388.4 million).

  The increase in adjusted EBITDA and operating cash flows is mainly due to the integration of recently acquired entities (see note 3). The Board of Managers is of the view that such adjusted EBITDA and the consequent cash flows are sufficient to service the working capital of the Group.
- The Group had healthy unrestricted cash reserves (€267.5 million as of March 31, 2017, compared to €266.0 million as of December 31, 2016), which would allow it to cover any urgent cash needs. The Group has the ability to move its cash from one segment to another under certain conditions as allowed by its debentures and debt covenants**.**
- Additionally, as of March 31, 2017, the Group had access to Revolving Credit Facilities and guarantee facilities of up to €1,001.9 million (of which €355.0 million was drawn as of December 31, 2016).

In addition, the Group's Executive Committee tracks operational key performance indicators (KPIs) on a weekly basis, thus closely tracking top line trends very closely. This allows the Board of Managers and local CEOs to ensure proper alignment with budget targets and respond with speed and flexibility to counter any unexpected events and ensure that the budgeted targets are met.

On the basis of the above, the Board of Managers is of the view that the Group will continue to act as a going concern for 12 months from the date of approval of these interim condensed consolidated financial statements and has hence deemed it appropriate to prepare these interim condensed consolidated financial statements using the going concern assumption.

15. Events after the reporting period

15.1. Refinancing activities

The refinancing activities, as disclosed in note 8.2, closed during April 2017.

15.2. Acquisition of exclusive content rights

On May 11, 2017, the Group announced that it had successfully acquired the exclusive rights to broadcast the UEFA Champions League and UEFA Europa league in France. The rights were acquired by Altice and cover the period from August 2018 to May 2021. The rights include exclusive broadcast coverage across free-TV, pay-TV, mobile, internet, over-the-top and digital terrestrial television coverage in France and non-exclusive rights in French in Luxembourg, Switzerland and Monaco. The content rights will be capitalised in accordance IAS 38- *Intangible Assets* and will be amortised linearly over their respective useful lives in the depreciation and amortisation caption of the consolidated statement of income.

15.3. European Commission Investigation

After having approved the acquisition of PT Portugal by Altice on April 20, 2015, the European Commission initiated an investigation into infringement by Altice of the obligation of prior notification of concentrations under Article 4(1) of the Merger Regulation and/or of the stand-still obligation laid down in Article 7(1) of the Merger Regulation. The European Commission issued a statement of objections on May 18, 2017, informing Altice of the objections raised. Altice does not agree with the European Commission's preliminary conclusions, and will submit a full response to the statement of objections and contest all the objections. The sending of a statement of objections does not prejudge the final outcome of the investigation. The investigation proceedings do not affect the approval granted by the European Commission for the acquisition of PT Portugal by Altice. At this moment in time the Group is unable to estimate the potential financial impact.

16. Revised information

As per the provisions of IFRS 3 Business Combination, the impact of the recognition of the identifiable tangible and intangible assets of NextRadioTV at their fair value was revised as of and for the three months ended March 31, 2016.

Consolidated Statement of Income Three months ended March 31, 2016 (€m)	**March 31, 2016 (reported)**	**Revision**	**March 31, 2016 (revised)**
Revenue	1,138.1	-	1,138.1
Operating expenses	(606.6)	(0.6)	(607.2)
Depreciation, amortisation and impairment	(379.4)	(7.2)	(386.6)
Other expenses and income	(15.7)	0.6	(15.1)
Operating profit	**136.4**	**(7.2)**	**129.2**
Net finance costs	(154.1)	-	(154.1)
Gain recognized on extinguishment of a financial liability	-	-	-
Net result on disposal of a business	107.5	-	107.5
Share of profit in associates	(0.7)	-	(0.7)
Profit before taxes	**89.2**	**(7.3)**	**81.9**
Income tax credit	13.2	2.4	15.6
Profit for the period	**102.3**	**(4.8)**	**97.5**
Comprehensive income	**110.5**	**(4.7)**	**105.8**